



August 16, 2013

California Energy Commission

**DOCKETED**

**06-NSHP-1**

TN 71861

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**DOCKET NO. 06-NSHP-1**

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 10-NSHP-1  
1516 Ninth Street  
Sacramento, CA 95814-5512

**Re: Staff Workshop on the Proposed Revisions to the New Solar Homes Partnership Guidebook**

To whom it may concern:

Thank you for the opportunity to provide comments on the considered revisions to the New Solar Home Partnership ("NSHP") Guidebook, 6<sup>th</sup> Edition ("Guidebook"). Lennar is currently, and has been for the past six years, one of the largest installers of solar in new home construction in the State of California. More recently, Lennar has enhanced its commitment to the advancement of solar through its new subsidiary, SunStreet Energy Group, LLC ("SunStreet") and SunStreet's innovative program, which offers home buyers the opportunity to purchase the energy generated by the solar systems on their homes at a guaranteed discount to retail electricity prices for the next twenty years, with no up-front costs, and no maintenance or insurance costs, pursuant to the terms of its power purchase agreement ("PPA"). This new solar program would not have been possible without the financial assistance provided by the NSHP.

Lennar is very appreciative of the efforts of Governor Brown, the California Energy Commission and, in particular those of the NSHP, to improve the affordability to home buyers of residential solar power by reducing the cost of solar leasing and PPAs. With respect to the considered changes to the Guidebook, we are pleased to add our comments to those submitted by our trade association, the California Building Industry Association ("CBIA"), which we strongly encourage the CEC to adopt - in particular, those changes related to the partial payment option, the levels of additional energy efficiency required of NSHP participants, and the "banking" of solar power at the project level. We believe these changes will further the goal of the NSHP to incentivize homebuilders to install energy efficient solar systems by accelerating incentive payments, decreasing the cost of participation in the NSHP program, and providing more flexibility to builders when planning solar communities.

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While Lennar generally supports most of the changes being considered by the CEC, on the basis that they enhance the efficiency of the NSHP program and generally accelerate the administrative process related to participation in the program, we raise for your consideration the following two areas which may create unintended consequences:

### **1. Duplicative Agency Review of Customer Documents**

The addition of solar with the sale of any subdivided lands requires the approval of, among others, the California Bureau of Real Estate ("BRE"). This approval addresses the adequate disclosure of information contained within the Public Report issued by the BRE with respect to the property being sold, including the disclosure of any covenants, conditions and restrictions that govern the use of property and other material disclosures, including the terms and conditions of a PPA. As a result, SunStreet's current form of PPA has undergone a lengthy review process by the BRE in order for Lennar to obtain the Public Reports necessary to sell homes in communities that are participating in SunStreet's program. Any changes to the form of PPA or Lease required by the CEC typically requires the subsequent re-submission of the PPA or Lease to the BRE for review, which, in turn, creates extended delays of sales.

For example, the CEC is currently considering requiring all Leases and PPAs to include a "Fact Sheet" or Addendum that would include certain terms and conditions of the Lease or PPA of which a customer should be aware before signing. While Lennar does not object to the concept, and in fact, the PPA currently used by SunStreet includes a summary of its terms in its first few pages, the ultimate terms and conditions that the CEC determines must be included in the fact sheet may differ from the summary in SunStreet's current form of PPA. This considered change would require that SunStreet re-submit its form of PPA, which, as set forth above, would result in delayed sales of Lennar homes. Therefore, Lennar respectfully objects to any proposed changes to the text of a Lease or PPA that currently complies with the NSHP's guidelines as set forth in the Guidebook.

### **2. Lease 10% True-Up of NSHP Incentive**

The CEC is considering eliminating the need to amend a PPA or Lease in the event the actual amount of the incentive to be paid with respect to a solar system is within 10% of the amount of the incentive set forth in the Lease or PPA that was executed by a homeowner for such solar system. While Lennar is in favor of this considered change, Lennar respectfully requests that the permitted 10% variance be increased to 20%. It is often difficult to accurately calculate the incentive amount at the time a PPA or Lease is executed for several reasons (including actual system performance variance from estimated performance and/or a decline in program incentive levels), and homeowners are less likely to execute amendments to any agreement after they have closed on the purchase of their home.

In general, Lennar is strongly in favor of any considered change that would reduce required paperwork, eliminate redundant verifications, eliminate the need re-start the application process anew for error corrections, add predictability to rebate calculations by providing earlier notice of incentive level declines, and generally ease the current administrative burdens related to participation in the NSHP program. Unlike the programs offered by some other third-party solar providers, SunStreet's program does not require an up-front payment by the customer. As a result, SunStreet and Lennar must bear the full cost of the solar system, including installation. An incentive program that enables solar providers to receive their rebate payments sooner and in a more efficient manner will better serve its purpose of incentivizing solar providers to offer more innovative and affordable solar programs to the public, such as SunStreet's program.

Thank you for your consideration of these comments. We look forward to continued participation in the NSHP and a constructive role in facilitating the success of this critical program.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Kaiserman", with a large, sweeping loop extending to the right.

David J. Kaiserman  
President, Lennar Ventures

cc: Mr. Robert E. Raymer (CBIA)